

9 July 2026

## MFSA Strengthens Supervisory Expectations on Financial Reviews of (Re)Insurance Undertakings

### **Dear CEO Letter outlines enhanced supervisory focus on financial reporting, solvency oversight and data quality.**

The Malta Financial Services Authority (“MFSA”) has issued a [Dear CEO Letter](#) addressed to authorised (Re)Insurance Undertakings, setting out the Authority’s supervisory approach to the ongoing financial analysis and review of the insurance sector.

The Dear CEO Letter provides greater transparency on the work undertaken by the Insurance and Pensions Supervision Function (“IPS”) in reviewing quarterly and annual financial regulatory returns submitted by (Re)Insurance Undertakings. The publication also outlines the MFSA’s supervisory expectations relating to financial reporting, solvency monitoring, governance and data quality.

(Re)Insurance Undertakings are required to submit a range of financial regulatory returns to the MFSA, including management accounts, quantitative reporting templates, solvency reports and audited financial statements. These submissions support the Authority’s ongoing assessment of firms’ financial strength, risk exposure and long-term solvency.

The [Dear CEO Letter](#) explains the supervisory review process applied by the MFSA’s Financial Analysts, including risk assessments, solvency analysis, review of key performance indicators, investment portfolio oversight, and the assessment of intra-group and related party transactions.

Particular emphasis is also placed on the importance of accurate, complete and consistent regulatory reporting. The MFSA notes that high-quality data remains essential to effective supervision, financial stability monitoring and collaboration with the European Insurance and Occupational Pensions Authority (“EIOPA”).

The publication further outlines the Authority’s expectations for (Re)Insurance Undertakings when preparing and submitting quarterly and annual financial regulatory returns. These expectations include enhanced narrative reporting, detailed financial breakdowns, updated rolling budgets, and strengthened governance and sign-off procedures.

Commenting on the publication, MFSA Head of Insurance and Pensions Supervision, Ray Schembri, stated:

*“A financially sound and solvent (Re)Insurance Undertaking plays a vital role in safeguarding the public interest by ensuring that claims are honoured, economic stability is preserved, and*

*trust in the insurance market is upheld. In this context, the MFSA's responsibility to deliver strong and effective regulatory oversight is central to maintaining confidence, resilience, and integrity across the insurance sector."*

The [Dear CEO Letter](#) forms part of the MFSA's ongoing efforts to strengthen regulatory engagement with the insurance market, promote supervisory transparency, and reinforce prudent financial and solvency practices across the sector.

## About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Strategic Statement, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.